

October 3, 1994

VETERINARY SERVICES NOTICE

Subject: Procedures for Cooperative and Trust Fund
Agreements for Privately-Owned Commercial
Bird Quarantine Facilities

To: Directors, VS Regions
Area Veterinarians in Charge, VS

I. PURPOSE

The purpose of this memorandum is to provide administrative procedures for processing cooperative and trust fund agreements for privately-owned and operated commercial bird quarantine facilities in line with changes in the regulations for this program, which were published in the Federal Register on September 14, 1994, to become effective October 14, 1994. This document details the steps involved in formulating the subject agreements with importers, assigning accounting codes, collecting required deposits, and reconciling and closing accounts.

II. BACKGROUND

Cooperative and trust fund agreements for privately-owned and operated commercial bird quarantine facilities are initiated at the Area level by Area Veterinarians in Charge (AVIC). Regional Directors have been delegated the authority to sign the agreements for the Agency. The regulations governing these agreements are specified in 9 CFR, Part 92, and the program guidelines for inspecting bird quarantine facilities and issuing permits are in Veterinary Services Memorandum 591.19, Commercial Bird Quarantine Facilities, Instructions for Completion of VS Form 17-70. **(Note: VS Memorandum No. 591.19 is in the process of being updated.)**

III. POLICY

Prior to issuance of permits to import hatching eggs or live

birds, a cooperative and trust fund agreement must be signed by the importer and Regional Director and the importer must deposit with APHIS an amount equal to the approximate cost to the Agency for the quarantine period required for the lot at a particular facility. The deposit will vary by facility and the type of birds quarantined. The current average costs for one quarantine period are:

Hatching eggs of ratites - \$17,000
Birds other than ratites - \$7,000

The above amounts should be adjusted by the Area Veterinarian in Charge and Regional Director on the basis of the cost of previous importations for that quarantine facility, or similar facilities for similar importations. The amount deposited should be sufficient to cover all costs associated with the importation. A copy of the correspondence from the AVIC to the importer setting the required amount for an importation will be made a part of the agreement package.

The deposit will be maintained in a trust account. With the exception of laboratory testing fees, all expenses incurred, including overhead, will be applied against the deposit. Laboratory fees are billed through the user fee system. If actual expenditures exceed the deposit, the importer will pay the additional amount within 14 days of receipt of the bill showing the balance due. If costs are less than the deposit, the Agency will refund the excess to the importer.

VS officials will not issue permits to importers whose accounts are in arrears.

IV. RESPONSIBILITIES FOR COOPERATIVE AND TRUST FUND AGREEMENTS

A. AVIC. AVIC's are responsible for:

1. Estimating the approximate cost to the Agency for one quarantine period and preparing correspondence notifying the importer of the requisite deposit.

2. Furnishing five copies of the agreement package to the prospective importer (at the same time program documents are provided) and obtaining the original signature of the importer on each copy of the agreement.

3. Forwarding the five signed copies of the agreement, along with the required program documents, to the Regional Office for signature and for the assignment of an agreement number and accounting code.

4. Collecting the required deposits, by cashier's check or money order, from the importer and ensuring that it is deposited with the Field Servicing Office (FSO) prior to the issuance of import permits.

5. Issuing import permits and providing quarantine services, after the importer meets all requirements and the cooperative and trust fund agreement is signed by the Regional Director.

6. Ensuring that Time and Attendance Reports, Travel Vouchers, and other obligating documents are coded properly to reflect the correct accounting code assigned for a particular quarantine.

7. Ensuring that copies of all obligating documents are filed by agreement number, importer, and quarantine period.

8. Advising the Regional Office and FSO when the importers change their mailing addresses during a quarantine period.

9. Obtaining a new cooperative and trust fund agreement and deposit for each quarantine period.

B. **Regional Office.** The VS Regional Office is responsible for:

1. Reviewing the agreement and accompanying program documents to ensure compliance with administrative and program requirements.

2. Entering the agreement into the Agreements Tracking System.

3. Assigning the next available cooperative and trust fund agreements number to the document.

4. Assigning a unique accounting code for each agreement which identifies the Region, quarantine period, and the importer.

5. Distributing signed copies of the agreement.

6. Reconciling official accounting reports generated by the Central Accounting System and notifying FSO when all charges have been officially obligated so that a final billing can be processed. **(Note: This responsibility may be delegated to the Area level, as appropriate.)**

7. Notifying FSO when to refund deposits to importers.
(Note: This responsibility may be delegated to the Area level, as appropriate.)

C. **FSO**. The FSO is responsible for:

1. Retaining a copy of the agreement on file for accounting and billing purposes.

2. Receiving and depositing the required deposit in accordance with U.S. Treasury standards.

3. Entering accounting codes into FSO/National Finance Center (NFC) MASC files.

4. Providing monthly statements to the importers and regional offices and producing final billings.

5. Collecting debts that are past due.

6. Providing deposit information and account balances to AVIC's or other VS Area officials responsible for issuing permits.

7. Preparing special reports concerning bird quarantine facility accounts.

8. Issuing refunds to account holders as required or requested.

D. **VS Resource Management Support Staff (RMS)**. RMS is responsible for assigning blocks of cooperative and trust fund agreement accounting code numbers to each Region.

V. COOPERATIVE AND TRUST FUND AGREEMENT PROCEDURES FOR ALL PERMIT APPLICATIONS PROCESSED FOR QUARANTINE PERIODS BEGINNING ON OR AFTER OCTOBER 14, 1994.

Effective October 14, 1994, importers who wish to import commercial birds and hatching eggs of ratites through privately-owned and operated bird quarantine facilities, will enter into a new cooperative and trust fund agreement with APHIS for each quarantine period. A separate agreement (Exhibit A) and deposit will be required for each quarantine period. Instead of entering into an arrangement with the facility owner as in the past, effective on the October 14, 1994, the agreement will be between APHIS and the importer. **(Note: Commercial bird quarantine station cooperative and trust fund agreements entered into prior to October 14, 1994, will become invalid on this date. Also, new agreements may not be signed by the Regional Director until**

October 14, 1994.)

Importers will be required to sign a new agreement and furnish the specified deposit to APHIS prior to the issuance of permits for each quarantine period. A unique accounting code will be assigned to identify each quarantine period. Separate accounting reports and financial statements will be generated for each quarantine period.

A. Process for Cooperative and Trust Fund Agreements on or after October 14, 1994.

1. The AVIC will provide each importer with a cooperative and trust fund agreement package which consists of the following:

(a) Five copies of the cooperative and trust fund agreement (see Exhibit A) with the name and address of the importer and the name and address of the quarantine facility appropriately inserted.

(b) Form AD-369, USDA Equal Opportunity. (See Exhibit B.)

(c) APHIS Form 19, Certification of Nonsegregated Facilities. (See Exhibit C.)

(d) Written notification that the agreement must be signed by the Regional Director and the specified deposit must be received by the Area Office in the form of a **cashier's check or money order** prior to the issuance of import permits.

2. The importer submits the signed agreement, AD-369, APHIS Form 19, and the deposit to the AVIC.

3. The AVIC forwards the agreement package, along with required program documents and the cashier's check or money order, to the Regional Office.

4. The Regional Office assigns a cooperative and trust fund agreement number and an accounting code to the agreement, and places this information in the upper right hand corner of each copy of the agreement. The Regional Director signs the agreement.

(1) Cooperative and trust fund agreement numbers are structured as follows:

95-	9	5	1	4	-0001
Fiscal	Program	Region	Area	Sequential	

Year	Number
------	--------

A new agreement number will be required for each quarantine period. If an importer wishes more than one quarantine concurrently or successive (e.g., piggyback in one facility or at different facilities at the same time), separate agreements and deposits will be required for each.

(2) Accounting codes for cooperative and trust fund agreements are structured to indicate the fiscal year, Region, quarantine period, and importer, as follows:

583-	95	01	-111
Year/ trust fund	Region	Quar. Period	Individual Importer

If an importer wishes VS to provide service for more than one quarantine concurrently or for successive quarantine periods, although separate agreements will be required for each, only the sixth and seventh digit of the accounting code will need to change. **(Note: If a member of an importer's family, a business partner, or another close associate wishes VS to provide service, in addition to processing a separate agreement, an entirely different accounting code will have to be assigned to reflect that the importer is different.)**

5. The Regional Office establishes the accounting code for the cooperative and trust fund agreement by providing FSO, Accounting and Property Section, either by FAX or mail, an AD Form 729B, Accounting Code Input Form (See Exhibit D). The codes established must be within the block of numbers assigned to the Region by RMS to use for commercial bird quarantine importations. A copy of the completed AD-729B must be sent to RMS to ensure that the master list of accounting codes is kept up to date.

In addition to the AD Form 729B, the Regional Office must provide the following information to FSO and the Area Office, by FAX or electronic mail: (1) the agreement number; (2) projected dates for the quarantine period; (3) accounting code; and (4) the importer's name and billing address. A format such as the one included in Exhibit E may be used for this purpose.

6. The Regional Office distributes copies of the agreement as follows:

1 copy	- Maintain in Regional Office
1 copy	- FSO, Minneapolis, Minnesota
1 copy	- Area Office or Port Office
1 copy	- Import-Export National Center,

Hyattsville, Maryland

1 copy - Importer

7. The Regional Office ensures that the money order or cashier's check is forwarded to FSO, using an APHIS Form 94, Record of Public Funds Received. Along with the importer's name and address, the accounting code assigned by the Regional Office and the inclusive dates of the projected quarantine period must be shown on the APHIS Form 94.

8. The AVIC notifies the importer that the agreement has been signed, and if necessary, reminds this individual that permits may not be issued for the quarantine period until the required deposit has been received by the Area Office. The AVIC should also advise the importer that it may take up to 60 days after the close of a quarantine period before actual costs for the services provided can be determined.

9. The AVIC verifies that the deposit has been received and issues permits within the time frame specified in 9 CFR, Part 92.

10. The AVIC ensures that all obligating documents for expenses incurred in connection with a particular agreement, accounting code, and quarantine period are coded properly and processed as rapidly as possible to aid in reconciliation of the account.

11. FSO produces and furnishes monthly statements to the importers, with copies to the respective Regional Offices, for each unique accounting code which corresponds to a cooperative agreement and quarantine period. The statement will show the APHIS charges applied against the deposit, the balance on hand, or the amount due.

12. The Regional Offices will use their copies of the statements to reconcile accounts, ensuring that the official accounting records are adjusted as necessary. **(Note: If appropriate, the Regional Office will disseminate the statements to the Area to aid in reconciliation of the accounts at that level.)**

13. The Area or Regional Office will notify FSO, by FAX or electronic mail, using the format included in Exhibit F, when all charges show on official accounting reports, and thus when accounts may be closed through a final billing or refund.

VI. INQUIRIES

Inquiries regarding these procedures should be addressed to

the VS Financial Manager, Resource Management Support staff.

Louise Rakestraw Lothery
Director
Resource Management Support
Veterinary Services

Enclosures

- Exhibit A - Cooperative and Trust Fund Agreement
- Exhibit B - Form AD-369 - Equal Opportunity
- Exhibit C - APHIS Form 19 - Certification of Nonsegregated
Facilities
- Exhibit D - Form AD-729B - Accounting Code Input Form
- Exhibit E - Documentation of Accounting Code Data for Commercial
Bird Station Cooperative and Trust Fund Agreements
- Exhibit F - Notification to FSO to Close Commercial Bird
Importer's Account

APHIS:VS:RMS:LRLothery:dgc:X7517:10-3-94:h:\deb\newbird

COOPERATIVE AND TRUST FUND AGREEMENT
Between

And
UNITED STATES DEPARTMENT OF AGRICULTURE
ANIMAL AND PLANT HEALTH INSPECTION SERVICE

This agreement is made and entered into by and between _____
(name of Importer), and the U.S. Department of Agriculture, Animal and Plant
Health Inspection Service, hereinafter referred to as the Service, with
respect to _____
(quarantine facility and address of facility).

WHEREAS, the Service is authorized pursuant to section 2 of the Act of
February 2, 1903, as amended, section 11 of the Act of May 29, 1884, as
amended, and section 4 of the Act of July 2, 1962 (21 U.S.C. 111, 114a, and
134c, respectively), to regulate the introduction of animals into the United
States in order to prevent the introduction of animal and poultry diseases
into the United States; and

WHEREAS, the Importer interested in the importation of certain birds from
countries presently under restrictions for such importation; and Whereas, the
Importer is equipped with quarantine facilities approved in accordance with
Part 92, 9 CFR, for use in importing birds; and

WHEREAS, the Importer has requested the Service to conduct inspections,
perform laboratory procedures, complete examinations, and supervise the
isolation, quarantine, and care and handling of birds to insure that they
meet the Department's quarantine requirements before release into the United
States; and

WHEREAS, it is the intention of the parties hereto that such cooperation
shall be for their mutual benefit and the benefit of the people of the United
States.

NOW THEREFORE, for and in consideration of the promises and mutual covenants
herein contained, the parties hereto do hereby mutually agree with each other
as follows:

(A) The Importer Agrees:

(1) To operate the quarantine facility in accordance with all Federal Laws and
regulations.

(2) To provide a current list of designated personnel employed by the Importer who will be used to handle and care for birds during the quarantine period. The list will include the legal names, current residential addresses, and social security numbers of the designated personnel. The list will be furnished to the port veterinarian at the time an application for an import permit to import birds into the quarantine facility is submitted to the Service. The list will be updated for any changes in or additions to the designated personnel. The list will be furnished to the port veterinarian at the time an application for an import permit to import birds into the quarantine facility is submitted to the Service. The list will be updated for any changes in or additions to the designated personnel in advance of such personnel working in the quarantine facility.

(3) To furnish to the Service a signed statement from each of the designated personnel employed by the Importer which provides that such personnel agree that for a period of 3 days from their most recent contact with birds in the quarantine facility, such personnel will refrain from having contact with other birds and poultry. This restriction ceases to apply on the date the birds with which the designated personnel have been in contact are released from quarantine.

(4) To not permit any designated personnel which the Service determines to be unfit to be employed at a quarantine facility upon written notice from the Service. Such determination shall be based upon such employee's committing or aiding and abetting in the commission of any violation of Title 9, Code of Federal Regulations, Part 92. The Importer further agrees to suspend any designated employee from working at a quarantine facility when the Service has reason to believe that such employee has violated any provision of Title 9, Code of Federal Regulations, Part 92, and the Administrator has determined that the actions of such employee constitute a severe threat to introduce or disseminate a communicable disease of poultry into the United States. Such action shall be made upon receipt of notice from the Service requiring such action by the Importer.

(5) To allow the unannounced entry into the quarantine facility of Service personnel or other persons authorized by the Service for the purpose of inspecting birds in quarantine, the operations at the quarantine facility and to ascertain compliance with the Standards for quarantine facilities and handling procedures for importation of birds contained in Title 9, Code of Federal Regulations, § 92.106(c).

(6) To provide permanent restrooms in both the clean and the quarantine areas of the quarantine facility.

(7) To provide a T.V. monitoring system or a window or windows sufficient to provide a full view of the quarantine area excluding the clothes changing area.

(8) To install a communication system between the clean and quarantine areas of the quarantine facility. Such communication system shall not interfere with the maintenance of the biological security of the quarantine area.

(9) To secure all windows and any openings in the quarantine facility in a manner satisfactory to the Department which will insure the biological security of the quarantine facility and prevent the unauthorized removal of birds.

(10) To install tamperproof hasps and to install hinges on doors from which the pins cannot be removed.

(11) To install a hood with a viewing window over the necropsy table.

(12) To bag waste material in leakproof bags. Such material shall be handled in a manner that spoilage is kept to a minimum and control of pests is maintained. Such material shall be disposed of by incineration or by public sewer or other method authorized by the Administrator to prevent the spread of disease. The disposition of such material shall only be under the direction and supervision of the Service.

(13) To feed chlortetracycline to psittacine birds, upon their arrival in the facility as prescribed in § 92.106(c)(3)(ii)(C).

(14) To install an electronic security system which is coordinated through or with the local police so that monitoring of the quarantine facility is maintained whenever Service personnel are not at the facility or, in lieu of such electronic monitoring system to arrange for continuous guarding of the facility with personnel from a bonded, security company. Provided, that, if exotic Newcastle disease is diagnosed in any of the birds in the quarantine facility, continuous guarding of the facility with personnel from a bonded security company shall be maintained by the Importer. The electronic security system if installed shall be of the (silent type) and shall be triggered to ring at the monitoring site and not at the facility. The electronic system shall be approved by Underwriter's Laboratories. Written instructions shall be provided to the monitoring agency which shall require that upon activation of the alarm, the police and a representative of the Service designated by the Service shall be notified by the monitoring agency. Such instructions, as well as any changes in such instructions, shall be filed in writing with the Administrator. The Importer shall notify the Service whenever a break in security occurs or is suspected of occurring.

(15) To not have non-Service personnel in the quarantine area when birds are in the quarantine facility unless Service personnel are present.

(16) To have seals of the Service placed on all entrances and exits of the facility when determined necessary by the Service and to take all necessary steps to insure that such seals are only broken in the presence of Service personnel.

(17) To decide what the disposition of a lot of birds will be within 48 hours following official notification that such a lot is infected with or exposed to velogenic viscerotropic Newcastle disease. Final disposition of the infected or exposed lot is to be accomplished within 4 working days following official notification. Disposition of the birds will be under the supervision of the Service.

(18) To furnish a telephone number or numbers to the Services at which the Importer can be reached on a daily basis or furnish the same for an agent or representative that can act and make decisions on the Importer's behalf.

(19) To deposit with the Service upon execution of this agreement a money order or cashier's check, in the amount determined by the Administrator to be sufficient to defray all costs incurred by the Service in providing services required. If such costs exceed the deposited amount, the importer will pay for additional costs incurred, based on official accounting records, within 14 days of receipt of the bill showing the balance due.

(20) To provide for the maintenance and operation of the quarantine facility in accordance with standards for quarantine facilities and handling procedures for importation of birds contained in Title 9, Code of Federal Regulations 92.106(c).

(B) The Service agrees:

(1) To furnish the services of technical and/or professional personnel needed to conduct inspections, perform laboratory procedures, complete examinations, and supervise the isolation, quarantine, and care and handling of birds being imported to insure that they meet the Department's quarantine requirements before release into the United States.

(2) To issue permits 3 working days following receipt of the permit application, depending upon availability of personnel to provide the services required for quarantine and the results of an APHIS representatives inspection of the quarantine facility.

(3) To provide the Importer within 30 days following receipt of a written request from the Importer, with an accounting of funds expended in providing services under paragraph (B)(1) of this agreement. Any unobligated balance upon termination or expiration of this agreement shall be returned to the Importer.

(4) To inform the Importer when a diagnosis of VVND has been made in any facility.

(5) To promptly inform the Embassy or Consulate of the foreign country to which lots of birds, refused entry into the United States due to a diagnosis of VVND, are to be shipped.

(6) To notify in writing the Importer of any designated employee which the Service believes should be suspended from work at the quarantine facility and the basis for such action. Similar notice shall be afforded to the employee. Subsequent to such suspension, the employee shall have the right to request an immediate review of such action by the Administrator, including presenting his or her views to the Administrator in an informal conference. If the Administrator makes a final determination that grounds existed to suspend such employee, he or she shall notify the Importer and the suspended employee of his or her decision and such employee shall be discharged by the Importer.

(7) Prior to any final determination being made by the Service concerning the discharge of any designated personnel employed by the Importer, the Service will inform, in writing, the Importer and the designated personnel of the basis for such action. If such person contests such action he or she shall be permitted to present his or her views to the Administrator, provided such request is made within 30 days of the receipt of the aforementioned written notice. If a final determination is made by the Administrator that such personnel should be discharged, he or she shall notify such personnel and the Importer of such determination.

(C) It is mutually understood and agreed:

(1) That a maximum capacity will be established for each quarantine lot. This will be based upon the capacity of the quarantine facility to handle the birds. The number of birds on the permits will not exceed this capacity.

(2) If the seals referred to in paragraph (c)(5)(iii)(A)(16) of this section are broken by other than Service personnel, it will be considered a breach in security and an immediate accounting of all birds in the facility shall be made by the Service. If any birds are determined to be missing from the facility, the quarantine period will be extended for an additional 30-day period.

(3) During the performance of this cooperative work, the Importer agrees to be bound by the equal opportunity and nondiscrimination provisions as set forth in exhibit B and nonsegregation of facilities provisions as set forth in exhibit C, which are attached hereto and made a part thereof.

(4) No member of or delegate to Congress or resident commissioner, shall be admitted to any share or part of this agreement or to any benefit to arise therefrom; but this provision shall not be construed to extend to this agreement if made with a corporation of its general benefit.

(5) This agreement shall become effective upon date of final signature and shall continue until the permitted birds are released from quarantine. This agreement may be amended by agreement of the parties in writing. It may be terminated by either party upon 30 days written notice to the other party.

Date _____

Importer_____

address_____

telephone_____

Date _____

Animal and Plant Health Inspection Service,
United States Department of Agriculture

EXHIBIT B

Form AD-369 - Equal Opportunity

(A copy of this exhibit can be obtained from the Region office.)

EXHIBIT C

APHIS Form 19 - Certification of nonsegregated Facilities

(A copy of this exhibit can be obtained from the Region office.)

EXHIBIT D

Form AD-729B - Accounting Code Input Form

(A copy of this exhibit can be obtained from the Region office.)

EXHIBIT E

DOCUMENTATION OF ACCOUNTING CODE DATA FOR COMMERCIAL BIRD STATION
COOPERATIVE AND TRUST FUND AGREEMENTS

Importer's Name: _____

Initial Accounting Code: _____

Subsequent Accounting Code Assigned This
Date for Quarantine Period Below: _____

Projected Quarantine Period: _____
(Inclusive Dates)

Cooperative Agreement Number: _____

Date Cooperative Agreement Signed by Director _____

Importer's Billing Address _____

Signature of Regional VS Official/Date Signed

cc:
Area
Region
FSO

EXHIBIT F

NOTIFICATION TO FSO TO CLOSE COMMERCIAL BIRD IMPORTER'S ACCOUNT

This is to provide notification that the NFC, Central Accounting System's accounting records reflect all charges for the account noted below. Please process a final billing or provide a refund as applicable.

Importer's Name: _____

Accounting Code: _____

Quarantine Period: _____
(Inclusive Dates)

Cooperative Agreement Number: _____

Importer's Billing Address _____

Signature Area/Regional VS Official/Date Signed
or Approved

cc:
Area
Region
FSO